



**6712-01**

**FEDERAL COMMUNICATIONS COMMISSION**

**[GN Docket No. 12-268; MB Docket No. 15-137; FCC 15-67]**

Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions; Channel Sharing by Full Power and Class A Stations Outside the Broadcast Television Spectrum Incentive Auction Context

**AGENCY:** Federal Communications Commission.

**ACTION:** Proposed rule.

**SUMMARY:** In this Notice of Proposed Rulemaking (NPRM), the Commission tentatively concludes that we should authorize channel sharing by full power and Class A stations outside the incentive auction context, including “second generation” agreements in which one or both entities were parties to an auction-related CSA whose term has expired or that has otherwise been terminated. By providing greater flexibility and certainty regarding CSAs, our objective is to encourage voluntary participation by broadcasters in the incentive auction.

**DATES:** Comments may be filed on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER], and reply comments may be filed [INSERT DATE 45 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. Written comments on the proposed information collection requirements, subject to the Paperwork Reduction Act (PRA) of 1995, Pub. L. 104-13, should be submitted on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** You may submit comments, identified by MB Docket No. 15-137, by any of the following methods:

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- Federal Communications Commission's web site: <http://fjallfoss.fcc.gov/ecfs2/>. Follow the instructions for submitting comments.
- Mail: Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.
- People with Disabilities: Contact the FCC to request reasonable accommodations (accessible format documents, sign language interpreters, CART, etc.) by email: [FCC504@fcc.gov](mailto:FCC504@fcc.gov) or phone: (202) 418-0530 or TTY: (202) 418-0432.

In addition to filing comments with the Secretary, a copy of any comments on the Paperwork Reduction Act proposed information collection requirements contained herein should be submitted to the Federal Communications Commission via email to [PRA@fcc.gov](mailto:PRA@fcc.gov) and to [Cathy.Williams@fcc.gov](mailto:Cathy.Williams@fcc.gov) and also to Nicholas A. Fraser, Office of Management and Budget, via email to [Nicholas-A.-Fraser@omb.eop.gov](mailto:Nicholas-A.-Fraser@omb.eop.gov). For detailed instructions for submitting comments and additional information on the rulemaking process, see the supplementary information section of this document.

**FOR FURTHER INFORMATION CONTACT:** Kim Matthews, Media Bureau, Policy Division, 202-418-2154, or email at [kim.matthews@fcc.gov](mailto:kim.matthews@fcc.gov).

**SUPPLEMENTARY INFORMATION:** This is a summary of the Commission's Notice of Proposed Rulemaking, FCC 15-67, adopted on June 11, 2015 and released on June 12, 2015.

The full text of this document is available for public inspection and copying during regular business hours in the FCC Reference Center, Federal Communications Commission, 445 12th Street SW, Room CY-A257, Washington, D.C. 20554. The complete text may be purchased from the Commission's copy contractor, 445 12th Street, SW, Room CY-B402, Washington, DC 20554. This document will also be available via ECFS at <http://fjallfoss.fcc.gov/ecfs/>.

Documents will be available electronically in ASCII, Microsoft Word, and/or Adobe Acrobat. Alternative formats are available for people with disabilities (Braille, large print, electronic files, audio format) by sending an email to [fcc504@fcc.gov](mailto:fcc504@fcc.gov) or calling the Commission's Consumer and Governmental Affairs Bureau at (202) 418-0530 (voice), (202) 418-0432 (TTY).

Paperwork Reduction Act of 1995 Analysis:

The NPRM contains proposed new and modified information collection requirements. The Commission, as part of its continuing effort to reduce paperwork burdens, invites the general public and the Office of Management and Budget (OMB) to comment on the information collection requirements contained in this document, as required by the Paperwork Reduction Act of 1995, Public Law 104-13. Comments should address: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's burden estimates; (c) ways to enhance the quality, utility, and clarity of the information collected; (d) ways to minimize the burden of the collection of information on the respondents, including the use of automated collection techniques or other forms of information technology; and (e) ways to further reduce the information collection burden on small business concerns with fewer than 25 employees. In addition, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, see 44 U.S.C. 3506(c)(4), the Commission seeks

specific comment on how it might further reduce the information collection burden for small business concerns with fewer than 25 employees.

To view a copy of this information collection request (ICR) submitted to OMB: (1) go to the web page <http://www.reginfo.gov/public/do/PRAMain>, (2) look for the section of the Web page called "Currently Under Review," (3) click on the downward-pointing arrow in the "Select Agency" box below the "Currently Under Review" heading, (4) select "Federal Communications Commission" from the list of agencies presented in the "Select Agency" box, (5) click the "Submit" button to the right of the "Select Agency" box, (6) when the list of FCC ICRs currently under review appears, look for the Title of this ICR and then click on the ICR Reference Number. A copy of the FCC submission to OMB will be displayed.

The information collections are as follows:

**OMB Control Number:** 3060-0027.

**Title:** Application for Construction Permit for Commercial Broadcast Station, FCC Form 301; FCC Form 2100, Application for Media Bureau Audio and Video Service Authorization, Schedule A.

**Form Number:** FCC Form 301; FCC Form 2100, Schedule A.

**Type of Review:** Revision of a currently approved collection.

**Respondents:** Business or other for-profit entities; Not-for-profit institutions; State, local or Tribal governments.

**Number of Respondents and Responses:** 3,825 respondents; 7,361 responses.

**Estimated Time per Response:** 1 – 8 hours.

**Frequency of Response:** On occasion and one-time reporting requirements; Third party disclosure requirement.

**Obligation to Respond:** Required to obtain or retain benefits. The statutory authority for the information

collection requirements is contained in Sections 154(i), 303 and 308 of the Communications Act of 1934, as amended and the Middle Class Tax Relief and Job Creation Act of 2012 (“Spectrum Act”).

**Total Annual Burden:** 18,022 hours.

**Total Annual Cost:** \$69,634,713.

**Nature and Extent of Confidentiality:** There is no need for confidentiality with this information collection.

**Privacy Impact Assessment:** No impact(s).

**Needs and Uses:** On June 12, 2015, the Commission released a *First Order on Reconsideration and Notice of Proposed Rulemaking, In the Matter of Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*, GN Docket No. 12-268 and MB Docket No. 15-137, FCC 15-67. This document contains proposed rules for channel sharing by and between full power and Class A television stations outside the context of the incentive auction. The proposed rules would allow full power stations to share a single channel with other full power or Class A stations. Full power stations will use FCC Form 2100, Schedule A to apply for a construction permit for the technical facilities it proposes to share with another station. The application for a construction permit to channel share must include a copy of the channel sharing agreement (“CSA”) between the stations. Each CSA must include provisions governing certain key aspects of the stations’ operations including: access to facilities; allocation of bandwidth within the shared channel; operation maintenance, repair, and modification of facilities; and termination or transfer/assignment of rights to the shared license. We propose to

treat applications to channel share outside the auction context as minor change applications – that is, they would not be subject to local public notice requirements or a 30-day petition to deny filing window.

The Commission’s proposed rules would also require stations participating in CSAs to provide notice to MVPDs that: (1) no longer will be required to carry the station because of the relocation of the station; (2) currently carry and will continue to be obligated to carry a station that will change channels; or (3) will become obligated to carry the station due to a channel sharing relocation. We propose that the notice contain the following information: (1) date and time of any channel changes; (2) the channel occupied by the station before and after implementation of the CSA; (3) modification, if any, to antenna position, location, or power levels; (4) stream identification information; and (5) engineering staff contact information. We propose that stations be able to elect whether to provide notice via a letter notification or provide notice electronically, if pre-arranged with the relevant MVPD. We also propose to require that sharee stations provide notice at least 30 days prior to terminating operations on the sharee’s channel and that both sharer and sharee stations provide notice at least 30 days prior to initiation of operations on the sharer channel. Should the anticipated date to either cease operations or commence channel sharing operations change, we propose to require that the station(s) send a further notice to affected MVPDs informing them of the new anticipated date(s).

No changes to FCC Form 2100, Schedule A are required for it to be used to file applications for channel sharing outside the auction context; this collection is being changed to reflect the proposed use of the form for a new purpose – to propose channel sharing outside the context of the incentive auction. This collection is also being changed to reflect the burden associated with preparing a CSA in connection with channel sharing as well as the burden associated with

providing the required notification to MVPDs.

**OMB Control Number:** 3060-0932.

**Title:** FCC Form 2100, Application for Media Bureau Audio and Video Service Authorization, Schedule E (Former FCC Form 301-CA); 47 CFR 74.793(d).

**Form Number:** FCC Form 2100, Schedule E.

**Type of Review:** Revision of a currently approved collection.

**Respondents:** Business or other for-profit entities; Not-for-profit institutions; State, local or Tribal governments.

**Number of Respondents and Responses:** 450 respondents; 500 responses.

**Estimated Time per Response:** 1 – 8 hours.

**Frequency of Response:** On occasion reporting requirement, One time reporting requirement and third party disclosure requirement.

**Obligation to Respond:** Required to obtain or retain benefits. The statutory authority for the information collection requirements is contained in Sections 154(i), 307, 308, 309, and 319 of the Communications Act of 1934, as amended, the Community Broadcasters Protection Act of 1999, and the Middle Class Tax Relief and Job Creation Act of 2012 (“Spectrum Act”).

**Total Annual Burden:** 4,050 hours.

**Total Annual Cost:** \$2,879,200.

**Nature and Extent of Confidentiality:** There is no need for confidentiality for this collection of information.

**Privacy Impact Assessment:** No impact(s).

**Needs and Uses:** On June 12, 2015, the Commission released a *First Order on Reconsideration and Notice of Proposed Rulemaking, In the Matter of Expanding the Economic and Innovation*

*Opportunities of Spectrum Through Incentive Auctions*, GN Docket No. 12-268 and MB Docket No. 15-137, FCC 15-67. This document contains proposed rules for channel sharing by and between full power and Class A television stations outside the context of the incentive auction. The proposed rules would allow Class A television stations to share a single channel with other full power or Class A stations. Class A stations will use FCC Form 2100, Schedule E (formerly FCC Form 301-CA) to apply for a construction permit for the technical facilities it proposes to share with another station.

The application for a construction permit to channel share must include a copy of the channel sharing agreement (“CSA”) between the stations. Each CSA must include provisions governing certain key aspects of the stations’ operations including: access to facilities; allocation of bandwidth within the shared channel; operation maintenance, repair, and modification of facilities; and termination or transfer/assignment of rights to the shared license. We propose to treat applications to channel share outside the auction context as minor change applications – that is, they would not be subject to local public notice requirements or a 30-day petition to deny filing window.

The Commission’s proposed rules would also require stations participating in CSAs to provide notice to multichannel video programming distributors (MVPDs) that: (1) no longer will be required to carry the station because of the relocation of the station; (2) currently carry and will continue to be obligated to carry a station that will change channels; or (3) will become obligated to carry the station due to a channel sharing relocation. We propose that the notice contain the following information: (1) date and time of any channel changes; (2) the channel occupied by the station before and after implementation of the CSA; (3) modification, if any, to antenna position, location, or power levels; (4) stream identification information; and (5) engineering staff contact

information. We propose that stations be able to elect whether to provide notice via a letter notification or provide notice electronically, if pre-arranged with the relevant MVPD. We also propose to require that sharee stations provide notice at least 30 days prior to terminating operations on the sharee's channel and that both sharer and sharee stations provide notice at least 30 days prior to initiation of operations on the sharer channel. Should the anticipated date to either cease operations or commence channel sharing operations change, we propose to require that the station(s) send a further notice to affected MVPDs informing them of the new anticipated date(s).

No changes to FCC Form 2100, Schedule E are required for it to be used to file applications for channel sharing outside the auction context; this collection is being changed to reflect the proposed use of the form for a new purpose – to propose channel sharing outside the context of the incentive auction. This collection is also being changed to reflect the burden associated with preparing a CSA in connection with channel sharing as well as the burden associated with providing the required notification to MVPDs.

**OMB Control Number:** 3060-0837.

**Title:** FCC Form 2100, Application for Media Bureau Audio and Video Service Authorization, Schedule B (Former FCC Form 302-DTV).

**Form Number:** FCC Form 2100, Schedule B

**Type of Review:** Revision of a currently approved collection.

**Respondents:** Business or other for-profit entities; Not-for-profit institutions.

**Number of Respondents and Responses:** 350 respondents; 400 responses.

**Estimated Time per Response:** 0.5 - 2 hours.

**Frequency of Response:** On occasion reporting requirement.

**Obligation to Respond:** Required to obtain or retain benefits. The statutory authority for the information

collection requirements is contained in Sections 154(i), 303 and 308 of the Communications Act of 1934, as amended, and the Middle Class Tax Relief and Job Creation Act of 2012 (Spectrum Act).

**Total Annual Burden:** 725 hours.

**Total Annual Cost:** \$160,375.

**Nature and Extent of Confidentiality:** There is no need for confidentiality for this collection of information.

**Privacy Impact Assessment:** No impact(s).

**Needs and Uses:** On June 12, 2015, the Commission released a *First Order on Reconsideration and Notice of Proposed Rulemaking, In the Matter of Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*, GN Docket No. 12-268 and MB Docket No. 15-137, FCC 15-67. This document contains proposed rules for channel sharing by and between full power and Class A television stations outside the context of the incentive auction. The proposed rules would allow full power stations to share a single channel with other full power or Class A stations. After sharing stations have obtained the necessary construction permits, implemented their shared facility, and initiated shared operations, full power sharing stations will use FCC Form 2100, Schedule B (formerly FCC Form 302-DTV) to apply for a license.

In addition, after sharing stations have obtained the necessary construction permits, implemented their shared facility, and initiated shared operations, a station relinquishing its channel would notify the Commission that it has terminated operation on that channel at the same time that the

sharing stations file applications for license.

No changes to FCC Form 2100, Schedule B are required for it to be used to file applications for license for channel sharing outside the auction context; this collection is being changed to reflect the proposed use of the form for a new purpose – to apply for a license to channel share outside the context of the incentive auction. This collection is also being changed to reflect the burden associated notifying the Commission that a station relinquishing its channel has terminated operation on that channel.

**OMB Control Number:** 3060-0928.

**Title:** FCC Form 2100, Application for Media Bureau Audio and Video Service Authorization, Schedule F (Formerly FCC 302-CA); 47 CFR 73.3572(h) and 47 CFR 73.3700.

**Form Number:** FCC Form 2100, Schedule F

**Type of Review:** Revision of a currently approved collection.

**Respondents:** Business or other for-profit entities; Not-for-profit institutions; State, local or Tribal governments.

**Number of Respondents and Responses:** 571 respondents; 621 responses.

**Estimated Time per Response:** 0.50 - 2 hours.

**Frequency of Response:** On occasion reporting requirement and one time reporting requirement.

**Obligation to Respond:** Required to obtain or retain benefits. The statutory authority for the information

collection requirements is contained in Sections 154(i), 307, 308, 309, and 319 of the Communications Act of 1934, as amended, the Community Broadcasters Protection Act of 1999, and the Middle Class Tax Relief and Job Creation Act of 2012 (“Spectrum Act”).

**Total Annual Burden:** 1,167 hours.

**Total Annual Cost:** \$162,735.

**Nature and Extent of Confidentiality:** There is no need for confidentiality for this collection of information.

**Privacy Impact Assessment:** No impact(s).

**Needs and Uses:** On June 12, 2015, the Commission released a *First Order on Reconsideration and Notice of Proposed Rulemaking, In the Matter of Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*, GN Docket No. 12-268 and MB Docket No. 15-137, FCC 15-67. This document contains proposed rules for channel sharing by and between full power and Class A television stations outside the context of the incentive auction. The proposed rules would allow Class A stations to share a single channel with other full power or Class A stations. After sharing stations have obtained the necessary construction permits, implemented their shared facility, and initiated shared operations, Class A sharing stations will use FCC Form 2100, Schedule F (formerly FCC Form 302-CA) to apply for a license.

In addition, after sharing stations have obtained the necessary construction permits, implemented their shared facility, and initiated shared operations, a station relinquishing its channel would notify the Commission that it has terminated operation on that channel at the same time that the sharing stations file applications for license.

No changes to FCC Form 2100, Schedule F are required for it to be used to file applications for license for channel sharing outside the auction context; this collection is being changed to reflect the proposed use of the form for a new purpose – to apply for a license to channel share outside the context of the incentive auction. This collection is also being changed to reflect the burden associated notifying the Commission that a station relinquishing its channel has terminated

operation on that channel.

## **Discussion of Notice of Proposed Rulemaking**

### **I. NOTICE OF PROPOSED RULEMAKING**

1. In this NPRM, we propose to adopt rules to permit channel sharing by and between full power and Class A television stations outside the context of the incentive auction, including by one or both parties to auction-related CSAs with other entities after those auction-related agreements terminate. Below we propose a regulatory framework for these agreements. We do not propose to distinguish between the “second generation” CSAs that EOBC requested, and which would succeed a CSA executed in connection with the auction, and new CSAs between stations that did not channel share in connection with the auction. Accordingly, there is no need to determine whether “second generation” CSAs would fall under the Spectrum Act’s carriage rights protection because the sharee station “‘voluntarily relinquish[ed] spectrum usage rights’ under the Spectrum Act ‘in order to share a television channel.’” Instead, we propose to authorize non-auction-related CSAs without regard to their relationship to incentive auction-related CSAs. As discussed below, we believe that the carriage rights of parties to such CSAs would be protected under the Communications Act. In the companion First Order on Reconsideration, the Commission refines the rules it adopted in the Incentive Auction Report and Order and the preceding Channel Sharing Report and Order to provide greater flexibility and certainty regarding channel sharing agreements (“CSAs”).

#### **A. Public Interest and Legal Authority**

2. While the Commission declined in the Channel Sharing R&O, 77 FR 30423 (May 23, 2012), to address channel sharing outside the auction context, we now believe it is appropriate to do so. We tentatively conclude that authorizing channel sharing outside the auction context will

encourage auction participation by giving prospective channel sharing bidders the knowledge that they can pursue future CSAs when their auction-related agreements expire. But the public interest benefits of channel sharing by full power and Class A stations are likely to extend beyond the auction. When it adopted a general framework for channel sharing by full power and Class A stations in the context of the incentive auction, the Commission concluded that channel sharing will help broadcasters, including existing small, minority-owned, and niche stations, to reduce operating costs and provide broadcasters with additional net income to strengthen operations and improve programming services. We also believe that authorizing channel sharing by full power and Class A stations outside the context of the incentive auction will promote spectral efficiency. We seek comment on our tentative conclusion that authorizing channel sharing by full power and Class A stations outside the context of the action will serve the public interest.

3. We tentatively conclude that the authority conferred on the Commission by Title III of the Communications Act of 1934, as amended, permits us to adopt channel sharing rules for full power and Class A television stations, and seek comment on this tentative conclusion.

#### **B. Carriage Rights**

4. We tentatively conclude that the Communications Act provides stations that elect to channel share outside the aegis of the Spectrum Act the same satellite and cable carriage rights on their new shared channels that the stations would have at the shared location if they were not channel sharing. We seek comment on this tentative conclusion. We note that this is consistent with the approach to channel sharing must-carry rights established by Congress in the Spectrum Act.

5. The Communications Act establishes slightly different thresholds for carriage, depending on whether the station is full power or low-power, or commercial or noncommercial, and also depending on whether carriage is sought on a cable or DBS system. The must-carry rights of full-power commercial stations on cable systems are set forth in Section 614 of the Act. Pursuant to Section 614(a), “[e]ach cable operator shall carry, on the cable system of that operator, the signals of local commercial television stations . . . as provided by this section.” The term “local commercial television station” means “any full power television broadcast station, other than a qualified noncommercial educational television station . . . licensed and operating on a channel regularly assigned to its community by the Commission that, with respect to a particular cable system, is within the same television market as the cable system.” “Television market” is defined by Commission’s rules as a Designated Market Area (“DMA”).

6. The must-carry rights of full power noncommercial stations on cable systems are set forth in Section 615 of the Act. Section 615(a) provides that “each cable operator of a cable system shall carry the signals of qualified noncommercial educational television stations in accordance with the provisions of this section.” A qualified noncommercial educational station can be considered “local,” and thus eligible for mandatory carriage on a cable system, in one of two ways. It may either be licensed to a principal community within 50 miles of the system’s headend, or place a “Grade B” signal over the headend.

7. The must-carry rights of low power stations, including Class A stations, on cable systems are set forth in Section 614(c) of the Act. Under very narrow circumstances, such stations can become “qualified” and eligible for must carry. Among the several requirements for reaching “qualified” status with respect to a particular cable operator, the station must be “located no more than 35 miles from the cable system’s headend.”

8. The must-carry rights of full power stations (both commercial and noncommercial) on DBS providers are set forth in Section 338 of the Act. A full power “television broadcast station” is entitled to request carriage by a DBS provider any time that provider relies on the statutory copyright license to retransmit the signal of any other “local” station (*i.e.*, one located in the same DMA). A “television broadcast station” is defined as “an over-the-air commercial or noncommercial television broadcast station licensed by the Commission.” Low-power stations, including Class A stations do not have DBS carriage rights.

9. Under the foregoing Communications Act provisions, carriage rights are accorded to licensees without regard to whether they occupy a full six megahertz channel or share a channel with another licensee. Nothing in the Communications Act requires a station to occupy an entire six megahertz channel in order to be eligible for must carry rights; rather, the station must simply be a licensee eligible for carriage under the applicable provision of the Communications Act. Thus, the carriage rights conferred by Sections 614, 615, and 338 of the Act apply to channel sharees as they do to any other licensee.

10. Based on these provisions, we tentatively conclude that a sharee station participating in a CSA that moves to a different frequency (that of the “sharer” station) remains entitled to must carry rights, but at the sharer’s location. For example, in the case of a full power commercial station asserting mandatory cable carriage rights, both before and after the CSA, the station will be a “full power television broadcast station ... licensed and operating on a channel regularly assigned to its community by the Commission that, with respect to a particular cable system, is within the same television market as the cable system.” The same analysis applies with respect to broadcasters qualifying for cable must-carry rights as “qualified local noncommercial educational television stations,” and “qualified low power stations,” and to broadcasters qualifying for DBS must-carry rights as “television broadcast stations.”

11. We tentatively conclude that, under the statutory definitions outlined above, the sharee

station's carriage rights would be determined at the new shared location. Carriage rights in this situation would be determined under Sections 338, 614, and 615 of the Communications Act in the same manner as they would outside the context of channel sharing, such as where stations change transmitter location, community of license, or DMA. We seek comment on this interpretation.

12. We tentatively conclude that each broadcaster participating in a CSA will continue to be entitled to must-carry rights for a single, primary video stream. Section 614(b)(3) of the Communications Act provides that “[a] cable operator shall carry in its entirety, on the cable system of that operator, the primary video ... of each of the local commercial television stations carried on the cable system....” Although digital technology enables broadcasters to transmit multiple program streams simultaneously on each six MHz channel, the Commission has determined that the must-carry provisions require only that a cable operator carry a single programming stream. We tentatively conclude that a sharee station's transmission of its signal on a different channel following implementation of a CSA does not alter the station's must-carry right to carriage of a single “primary video” programming stream.

13. Section 1452(a)(4) provides that sharee stations resulting from the incentive auction have the same carriage rights on the shared channel that each station would have on that channel and from that location if it were not sharing, but this provision by its terms addresses only auction-related CSAs. For this reason, as noted above, we conclude that the carriage rights of sharees outside the context of the incentive auction are determined not by the Spectrum Act but by the carriage provisions of the Communications Act.

14. Notably, however, Section 1452(a)(4) does not simply affirm carriage rights under the Communications Act, it also limits the carriage rights of sharee stations in connection with the incentive auction to those that possessed such rights on November 30, 2010. The date of November 30, 2010 refers to the Commission's issuance of the 2010 Channel Sharing NPRM, 76 FR 5521 (February 1, 2011), proposing to allow television stations to channel share. In the 2010 Channel Sharing NPRM, the

Commission proposed to “limit channel sharing to television stations with existing applications, construction permits or licenses as of [November 30, 2010].” In response, MVPDs expressed concern that allowing new stations that have not yet built facilities to become sharee stations would be a shortcut to obtaining MVPD carriage and thereby artificially increase the number of stations MVPDs are required to carry under the must carry regime. In the Spectrum Act, Congress adopted a different approach than the one proposed in the 2010 Channel Sharing NPRM by requiring a sharee station resulting from the incentive auction to have “possessed carriage rights” on November 30, 2010 in order have carriage rights at its shared location. Consistent with the concerns expressed by MVPDs, this approach precluded stations that were not licensed as of November 30, 2010 from the entitlement to carriage under Section 1452(a)(4) because they did not “possess[] carriage rights” on that date.

15. Consistent with Section 1452(a)’s objective of avoiding artificially creating new stations that can demand MVPD carriage, we propose that a full power or Class A station will be eligible to become a sharee station outside of the auction context only if it possessed carriage rights under sections 338, 614, or 615 of the Communications Act through an auction-related channel sharing agreement, pursuant to Section 1452(a)(4), or because it was operating on its own non-shared channel immediately prior to entering into a channel sharing agreement. We also seek comment on any alternative approaches that would address Congress’s concern that channel sharing not be used as a means to artificially increase the number of stations that MVPDs are required to carry, including the adoption of November 30, 2010, or some later date certain for the possession of carriage rights as a condition precedent to becoming a sharee. Another approach would be to extend eligibility of a sharee station for carriage rights outside of the auction context only to a station that has constructed and licensed facilities without relying on sharing with another station, regardless of when that station possessed carriage rights. How would this approach apply to a station that entered into an auction-related sharing agreement for a limited term and subsequently seeks to enter into a new sharing agreement outside the auction context with the same or different sharer? Are there any other alternative approaches that we should consider?

16. We do not propose, however, to restrict full power and Class A stations from becoming sharer stations outside of the auction context, regardless of when or whether such stations have obtained carriage rights. We believe this approach is consistent with Section 1452(a)(4), which pertains to the carriage rights of only sharee stations, not sharer stations. Because a sharer station necessarily would have already constructed and licensed its facilities, there is no apparent concern that such stations could use sharing as a shortcut to obtaining MVPD carriage. Moreover, we believe the ability of such stations to serve as sharers would benefit other stations, including those participating in the incentive auction, by increasing the number of potential sharers. We seek comment on this approach.

### **C. Voluntary and Flexible Channel Sharing**

17. We propose to adopt rules and procedures for channel sharing for full power and Class A stations outside the auction context that are generally similar to those we adopted in connection with the incentive auction, as modified in the companion First Order on Reconsideration. We propose that channel sharing be voluntary and flexible, that stations be permitted to choose their channel sharing partners, that channel sharing agreements be required to outline stations' rights with respect to certain matters, and that stations be permitted to assign or transfer their rights under a CSA. We do not intend to be involved in the process of matching licensees interested in channel sharing with potential partners. Instead, full power and Class A stations would decide for themselves whether and with whom to enter into a CSA.

18. In addition, consistent with our approach toward channel sharing in the auction context, we propose to require all stations involved in channel sharing to retain spectrum usage rights sufficient to ensure at least enough capacity to operate one standard definition ("SD") programming stream at all times. This requirement will ensure that each station has sufficient channel capacity to meet our requirement to "transmit at least one over-the-air video broadcast signal provided at no direct charge to viewers ...." We propose, however, to allow stations flexibility beyond this "minimum capacity" requirement to tailor their agreements and allow a variety of different types of spectrum sharing to meet

the individualized programming and economic needs of the parties involved. We do not propose to prescribe a fixed split of the capacity of the six megahertz channel between the stations from a technological or licensing perspective. We propose that all channel sharing stations be licensed for the entire capacity of the six megahertz channel and that the stations be allowed to determine the manner in which that capacity will be divided among themselves subject only to the minimum capacity requirement.

19. In the companion First Order on Reconsideration, we determined that CSAs need not be permanent in nature and modified our rules to permit broadcasters to choose the length of their CSAs. Similarly, we propose to permit term-limited CSAs outside the auction context. We also invite comment on whether we should establish a minimum term for CSAs that are unrelated to the auction. Our goal in permitting term-limited CSAs is to provide flexibility for broadcasters that choose to end the channel sharing relationship while maintaining the opportunity to continue to operate. We are concerned, however, about the potential disruption to viewers that could occur if channel sharing stations enter into short-term CSAs or terminate CSAs early, resulting in frequent channel moves. In addition, we note that MVPDs could experience carriage-related disruptions should there be a multitude of short-term CSAs. Given this, should we establish a minimum term for CSAs, or would this unduly constrain channel sharing partners who may prefer a short-term agreement or want to terminate a CSA early? If we were to establish a minimum term for CSAs, what minimum term would be appropriate (e.g., three years)?

#### **D. Licensing Procedures**

20. We also propose to extend to non-auction-related sharing agreements our existing policy framework for the licensing and operation of channel sharing stations. Under this policy, despite sharing a single channel and transmission facility, each full power and Class A station would continue to be licensed separately. Each station would have its own call sign, and each licensee would separately be subject to all of the Commission's obligations, rules, and policies. We seek comment on these proposals.

21. We propose to adopt a two-step process for implementing non-auction-related channel

sharing by and between full power and Class A stations outside the auction context. If no technical changes are necessary for sharing, a channel sharing station relinquishing its channel first would file an application for digital construction permit for the same technical facilities as the sharer station. That application would include a copy of the CSA as an exhibit and cross reference the other sharing station(s). The sharer station would not need to take action at this time unless the CSA required technical changes to the sharer station's facilities. If changes to the sharer station facilities were required, each sharing station would file an application for construction permit for identical technical facilities proposing to share the channel, along with the CSA. As a second step, after the sharing stations have obtained the necessary construction permits, implemented their shared facility, and initiated shared operations, a station relinquishing its channel would notify the Commission that it has terminated operation on that channel. At the same time, sharing stations would file applications for license to complete the licensing process. We seek comment on these proposed procedures.

22. We propose to treat applications for a construction permit in order to channel share as minor change applications, similar to the approach we adopted for auction-related channel sharing. We believe that the use of minor change applications is appropriate to facilitate CSAs, particularly if we prohibit sharee stations from relocating outside their community of license in order to channel share, as discussed below. We seek comment on this approach.

23. We also seek comment on an appropriate length of time for channel sharing full power and Class A stations to implement their agreements. In the Incentive Auction Report & Order, 79 FR 48442 (August 15, 2014) (IA R&O), we required that CSAs be implemented within three months after the relinquishing station receives its reverse auction proceeds. In the companion First Order on Reconsideration, we modify our rules to permit post-auction CSAs, and to permit a successful license relinquishment bidder who in its application expresses a present intent to enter a post-auction CSA up to three months from the receipt of auction proceeds to execute and implement a sharing agreement. The exigencies of the auction process do not apply in setting a deadline for stations to implement their CSAs

outside the auction context. In the LPTV Channel Sharing NPRM, 79 FR 70824 (November 28, 2014), we sought comment on whether to allow channel sharing stations the standard three-year construction period under the rules to implement their sharing deals. Should we also give full power and Class A stations the standard three-year construction period in which to implement CSAs? Is there another timeframe that would be more appropriate?

24. We also seek comment on the degree of flexibility we should provide to potential sharee stations seeking to relocate to take advantage of channel sharing. In the IA R&O, we stated that we would permit a sharee to change its community of license only in situations where the sharee cannot meet community of license signal requirements operating from the sharer's transmission site and provided that the sharee chooses a new community of license that, at a minimum, meets the same allotment priorities as its current community. In addition, the Commission stated that it would not allow a bidder to propose a community of license change that would change its DMA. The Commission adopted this restriction on changes in community of license in the auction context in order to promote the goals underlying Section 307(b) of the Communications Act while at the same time avoiding any detrimental impact on the speed and certainty of the auction, as well as on broadcaster participation, that would result from application of the Commission's usual analysis of community of license changes. Outside the auction context, we propose to preclude sharee stations from changing their community of license, and to limit these stations to CSAs with a sharer from whose transmitter site the sharee will continue to meet the community of license signal requirement over its current community of license. Precluding relocation that would require a community of license change would advance our interest in ensuring the provision of service to local communities, avoid viewer disruption, and avoid any potential impact on MVPDs that might result from community of license changes.

25. In the event that we permit sharee stations to propose a change in community of license in order to channel share, we invite comment on how we should evaluate such requests. Should we use our traditional television allotment rules and policies, pursuant to which a proposed full power television

sharee would have to file a petition for rulemaking and demonstrate that the requested change in community would result in a preferential arrangement of television allotments under Section 307(b) and the Commission's allotment priorities? Alternatively, should we adopt a more streamlined approach that would dispense with a rulemaking? Outside the auction context, the concerns we expressed in the IA R&O about the potential impact on the auction of our usual analysis of community of license changes are not relevant. We seek comment on these possible approaches to community of license changes.

#### **E. Channel Sharing Operating Rules**

26. We propose to adopt channel sharing operating rules similar to those adopted for full power and Class A television stations in the IA R&O, as modified by the First Order on Reconsideration. In the IA R&O, we determined that CSAs for full power and Class A stations must include provisions governing certain key aspects of their operations: (1) access to facilities, including whether each licensee will have unrestrained access to the shared transmission facilities; (2) allocation of bandwidth within the shared channel; (3) operation, maintenance, repair, and modification of facilities, including a list of all relevant equipment, a description of each party's financial obligations, and any relevant notice provisions; and (4) termination or transfer/assignment of rights to the shared licenses, including the ability of a new licensee to assume the existing CSA. We propose to require full power and Class A CSAs outside the auction context to contain the same key information. We also propose to reserve the right to review CSA provisions and require modification of any that do not comply with these requirements or the Commission's rules. We seek comment on these proposals.

27. Termination, Assignment/Transfer, and Relinquishment of Channel Sharing Licenses. We propose to apply to full power and Class A CSAs entered into outside the auction context the same rules regarding termination, assignment/transfer, and voluntary relinquishment of channel sharing rights that we adopted in the IA R&O, as modified by the First Order on Reconsideration. Under this proposed approach we would allow rights under a CSA to be assigned or transferred, subject to the requirements of Section 310 of the Communications Act, our rules, and the requirement that the assignee or transferee

undertake to comply with the applicable CSA. In the event a channel sharing party's license is terminated due to voluntary relinquishment, revocation, or failure to renew, consistent with the approach we adopt in the First Order on Reconsideration we propose that the relinquished spectrum usage rights in the shared channel revert to the other sharing parties. Further, where only one sharing partner remains on a channel after its partner relinquishes its license, it may request that its channel return to non-shared status. We seek comment on this approach.

#### **F. Channel Sharing Between Full Power and Class A Stations**

28. In the IA R&O, we allowed channel sharing between full power and Class A television stations despite the fact that each operate with different technical rules. We concluded that the Class A television station sharing a full power television station's channel after the incentive auction would be permitted to operate under the part 73 rules governing power levels and interference. Similarly, we concluded that a full power station sharing a Class A station's channel after the incentive auction would be permitted to operate under the Part 74 power level and interference rules. We propose herein to permit channel sharing between full power and Class A stations outside the auction context and to apply to such agreements the same rules we adopted in the IA R&O. We seek comment on this approach.

#### **G. Reimbursement**

29. With respect to CSAs entered into outside the auction context, we do not propose to adopt rules regarding reimbursement of costs imposed on MVPDs as a result of CSAs. We note that our current rules do not require reimbursement of MVPD costs in connection with channel changes or other changes that modify carriage obligations outside the auction context. Further, the reimbursement provisions of the Spectrum Act apply only to CSAs made in connection with the incentive auction. Thus, by the plain language of Section 1452, reimbursement under the Spectrum Act applies only to costs associated with channel sharing bids; reimbursement does not extend to CSAs unrelated to the auction.

30. Accordingly, costs associated with channel sharing outside the auction context will be borne

by broadcasters and MVPDs in the same manner as these parties are traditionally responsible for costs associated with television station channel moves. For example, to obtain carriage, a local commercial television station must be capable of delivering a good quality signal to a cable system headend or bear responsibility for the cost of delivering such a good quality signal. A television station that cannot deliver a good quality signal to a cable system headend it previously could reach with its over-the-air signal may bear costs associated with use of alternative means, such as fiber or microwave, to deliver a good quality signal to the headend. In addition, a television station that relocates may gain carriage on a different cable or satellite system(s), which may incur costs for new equipment or other changes associated with adding the channel.

#### **H. Notice to MVPDs**

31. Similar to the requirement we adopted in the IA R&O, we propose to require stations participating in CSAs to provide notice to those MVPDs that: (1) no longer will be required to carry the station because of the relocation of the station; (2) currently carry and will continue to be obligated to carry a station that will change channels; or (3) will become obligated to carry the station due to a channel sharing relocation. We propose that the notice contain the following information: (1) date and time of any channel changes; (2) the channel occupied by the station before and after implementation of the CSA; (3) modification, if any, to antenna position, location, or power levels; (4) stream identification information; and (5) engineering staff contact information. We propose that stations be able to elect whether to provide notice via a letter notification or provide notice electronically, if pre-arranged with the relevant MVPD. We also propose to require that sharee stations provide notice at least 30 days prior to terminating operations on the sharee's channel and that both sharer and sharee stations provide notice at least 30 days prior to initiation of operations on the sharer channel. Should the anticipated date to either cease operations or commence channel sharing operations change, we propose to require that the station(s) send a further notice to affected MVPDs informing them of the new anticipated date(s). We seek comment on these proposals.

## II. PROCEDURAL MATTERS

### A. Initial Regulatory Flexibility Act Analysis

1. As required by the Regulatory Flexibility Act of 1980, as amended (“RFA”), the Commission has prepared this Initial Regulatory Flexibility Analysis (“IRFA”) concerning the possible significant economic impact on small entities of the policies and rules proposed in the Notice of Proposed Rulemaking (“NPRM”). Written public comments are requested on this IRFA. Comments must be identified as responses to the IRFA and must be filed by the deadlines for comments provided on the first page of the NPRM. The Commission will send a copy of the NPRM, including this IRFA, to the Chief Counsel for Advocacy of the Small Business Administration (“SBA”). In addition, the NPRM and IRFA (or summaries thereof) will be published in the Federal Register.

2. The NPRM proposes to adopt rules to permit channel sharing by and between full power and Class A television stations outside the context of the incentive auction, including by one or both parties to auction-related CSAs with other entities after those auction-related agreements terminate. Our goal is to provide clarification regarding the scope of channel sharing outside the context of the incentive auction in order to encourage auction participation. In addition, our goal is to extend the public interest benefits of channel sharing to full power and Class A stations that are not participating in the auction. The Commission has previously concluded that channel sharing can help broadcasters, including existing small, minority-owned, and niche stations, to reduce operating costs and provide broadcasters with additional net income to strengthen operations and improve programming services. Thus, extending channel sharing to full power and Class A stations outside the auction context would permit these stations to take advantage of the potential benefits of channel sharing.

3. The proposed action is authorized pursuant to Sections 1, 4, 301, 303, 307, 308, 309, 310, 316, 319, 338, 403, 614, and 615 of the Communications Act of 1934, as amended, 47 U.S.C. 151, 154, 301, 303, 307, 308, 309, 310, 316, 319, 338, 403, 614 and 615.

4. The RFA directs agencies to provide a description of, and where feasible, an estimate of the number of small entities that may be affected by the proposed rules, if adopted. The RFA generally defines the term “small entity” as having the same meaning as the terms “small business,” “small organization,” and “small governmental jurisdiction.” In addition, the term “small business” has the same meaning as the term “small business concern” under the Small Business Act. A small business concern is one which: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the SBA. Below, we provide a description of such small entities, as well as an estimate of the number of such small entities, where feasible.

5. **Wired Telecommunications Carriers.** The North American Industry Classification System (“NAICS”) defines “Wired Telecommunications Carriers” as follows: “This industry comprises establishments primarily engaged in operating and/or providing access to transmission facilities and infrastructure that they own and/or lease for the transmission of voice, data, text, sound, and video using wired telecommunications networks. Transmission facilities may be based on a single technology or a combination of technologies. Establishments in this industry use the wired telecommunications network facilities that they operate to provide a variety of services, such as wired telephony services, including VoIP services; wired (cable) audio and video programming distribution; and wired broadband Internet services. By exception, establishments providing satellite television distribution services using facilities and infrastructure that they operate are included in this industry.” The SBA has developed a small business size standard for wireline firms for the broad economic census category of “Wired Telecommunications Carriers.” Under this category, a wireline business is small if it has 1,500 or fewer employees. Census data for 2007 shows that there were 3,188 firms that operated for the entire year. Of this total, 3,144 firms had fewer than 1,000 employees, and 44 firms had 1,000 or more employees. Therefore, under this size standard, we estimate that the majority of businesses can be considered small entities.

6. **Cable Television Distribution Services.** Since 2007, these services have been defined within

the broad economic census category of Wired Telecommunications Carriers, which category is defined above. The SBA has developed a small business size standard for this category, which is: All such businesses having 1,500 or fewer employees. Census data for 2007 shows that there were 3,188 firms that operated for the entire year. Of this total, 3,144 firms had fewer than 1,000 employees, and 44 firms had 1,000 or more employees. Therefore, under this size standard, we estimate that the majority of businesses can be considered small entities.

7. Cable Companies and Systems. The Commission has developed its own small business size standards for the purpose of cable rate regulation. Under the Commission's rules, a "small cable company" is one serving 400,000 or fewer subscribers nationwide. Industry data shows that there are currently 660 cable operators. Of this total, all but ten cable operators nationwide are small under this size standard. In addition, under the Commission's rate regulation rules, a "small system" is a cable system serving 15,000 or fewer subscribers. Current Commission records show 4,629 cable systems nationwide. Of this total, 4,057 cable systems have less than 20,000 subscribers, and 572 systems have 20,000 or more subscribers, based on the same records. Thus, under this standard, we estimate that most cable systems are small entities.

8. Cable System Operators (Telecom Act Standard). The Communications Act of 1934, as amended, also contains a size standard for small cable system operators, which is "a cable operator that, directly or through an affiliate, serves in the aggregate fewer than 1 percent of all subscribers in the United States and is not affiliated with any entity or entities whose gross annual revenues in the aggregate exceed \$250,000,000." There are approximately 54 million cable video subscribers in the United States today. Accordingly, an operator serving fewer than 540,000 subscribers shall be deemed a small operator if its annual revenues, when combined with the total annual revenues of all its affiliates, do not exceed \$250 million in the aggregate. Based on available data, we find that all but ten incumbent cable operators are small entities under this size standard. We note that the Commission neither requests nor collects information on whether cable system operators are affiliated with entities whose gross annual revenues

exceed \$250 million. Although it seems certain that some of these cable system operators are affiliated with entities whose gross annual revenues exceed \$250,000,000, we are unable at this time to estimate with greater precision the number of cable system operators that would qualify as small cable operators under the definition in the Communications Act.

9. Direct Broadcast Satellite (DBS) Service. DBS service is a nationally distributed subscription service that delivers video and audio programming via satellite to a small parabolic “dish” antenna at the subscriber’s location. DBS, by exception, is now included in the SBA’s broad economic census category, Wired Telecommunications Carriers, which was developed for small wireline businesses. Under this category, the SBA deems a wireline business to be small if it has 1,500 or fewer employees. Census data for 2007 shows that there were 3,188 firms that operated for that entire year. Of this total, 2,940 firms had fewer than 100 employees, and 248 firms had 100 or more employees. Therefore, under this size standard, the majority of such businesses can be considered small entities. However, the data we have available as a basis for estimating the number of such small entities were gathered under a superseded SBA small business size standard formerly titled “Cable and Other Program Distribution.” As of 2002, the SBA defined a small Cable and Other Program Distribution provider as one with \$12.5 million or less in annual receipts. Currently, only two entities provide DBS service, which requires a great investment of capital for operation: DIRECTV and DISH Network. Each currently offers subscription services. DIRECTV and DISH Network each report annual revenues that are in excess of the threshold for a small business. Because DBS service requires significant capital, we believe it is unlikely that a small entity as defined under the superseded SBA size standard would have the financial wherewithal to become a DBS service provider.

10. Television Broadcasting. This economic census category “comprises establishments primarily engaged in broadcasting images together with sound.” The SBA has created the following small business size standard for such businesses: those having \$38.5 million or less in annual receipts. The 2007 U.S. Census indicates that 808 firms in this category operated in that year. Of that number, 709

had annual receipts of \$25,000,000 or less, and 99 had annual receipts of more than \$25,000,000.

Because the Census has no additional classifications that could serve as a basis for determining the number of stations whose receipts exceeded \$38.5 million in that year, we conclude that the majority of television broadcast stations were small under the applicable SBA size standard.

11. Apart from the U.S. Census, the Commission has estimated the number of licensed commercial television stations to be 1,390 stations. Of this total, 1,221 stations (or about 88 percent) had revenues of \$38.5 million or less, according to Commission staff review of the BIA Kelsey Inc. Media Access Pro Television Database (BIA) on July 2, 2014. In addition, the Commission has estimated the number of licensed noncommercial educational (NCE) television stations to be 395. NCE stations are non-profit, and therefore considered to be small entities. Therefore, we estimate that the majority of television broadcast stations are small entities.

12. We note, however, that in assessing whether a business concern qualifies as small under the above definition, business (control) affiliations must be included. Our estimate, therefore, likely overstates the number of small entities that might be affected by our action because the revenue figure on which it is based does not include or aggregate revenues from affiliated companies. In addition, an element of the definition of “small business” is that the entity not be dominant in its field of operation. We are unable at this time to define or quantify the criteria that would establish whether a specific television station is dominant in its field of operation. Accordingly, the estimate of small businesses to which rules may apply does not exclude any television station from the definition of a small business on this basis and is therefore possibly over-inclusive to that extent.

13. Class A TV Stations. The same SBA definition that applies to television broadcast stations would apply to licensees of Class A television stations. As noted above, the SBA has created the following small business size standard for this category: those having \$38.5 million or less in annual receipts. The Commission has estimated the number of licensed Class A television stations to be 405. Given the nature of these services, we will presume that these licensees qualify as small entities under the

SBA definition.

14. The NPRM proposes several regulatory requirements that will require either new information collections or revisions to existing collections. The NPRM proposes to require full power and Class A stations seeking to channel share outside the auction context to follow a two-step licensing process - first filing an application for construction permit and then an application for license. These existing collections will need to be revised to reflect these new channel-sharing related filings and the associated burden estimates. In addition, the NPRM proposes that channel sharing stations submit their channel sharing agreements (CSAs) with the Commission and be required to include certain provisions in their CSAs. The existing collection concerning the execution and filing of CSAs will need to be revised. Finally, the NPRM proposes to require channel sharing stations to notify affected MVPDs.

15. The RFA requires an agency to describe any significant alternatives that it has considered in reaching its proposed approach, which may include the following four alternatives (among others): (1) the establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance or reporting requirements under the rule for small entities; (3) the use of performance, rather than design, standard; and (4) an exemption from coverage of the rule, or any part thereof, for small entities.

16. The NPRM proposes to permit channel sharing by and between full power and Class A television stations outside the context of the incentive auction and seeks comment on that proposal as well as a proposed regulatory framework for such agreements. The Commission has previously concluded that channel sharing can help broadcasters, including existing small, minority-owned, and niche stations, to reduce operating costs and provide broadcasters with additional net income to strengthen operations and improve programming services. Thus, the proposals in the NPRM may help smaller broadcasters conserve resources. In addition, the NPRM proposes licensing and operating rules for channel sharing by and between full power and Class A stations that are designed to minimize impact on small entities. The rules provide a streamlined method for reviewing and licensing channel sharing for these stations and

seek comment on whether to adopt a streamlined approach for reviewing proposals for a change in community of license of sharee stations. The Commission will consider all comments submitted in connection with the NPRM, including any suggested alternative approaches to channel sharing by full power and Class A stations that would reduce the burden and costs on smaller entities.

### **Federal Rules that May Duplicate, Overlap, or Conflict with the Proposed Rule**

17. None.

### **B. Paperwork Reduction Act Analysis.**

18. This NPRM contains proposed new or modified information collection requirements. The Commission, as part of its continuing effort to reduce paperwork burdens, invites the general public and the Office of Management and Budget (OMB) to comment on the information collection requirements contained in this document, as required by the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13, *see* 44 U.S.C. 3507. In addition, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, *see* 44 U.S.C. 3506(c)(4), we seek specific comment on how we might further reduce the information collection burden for small business concerns with fewer than 25 employees.

### **C. Ex Parte Presentations**

19. The proceeding this NPRM initiates shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission’s ex parte rules.<sup>1</sup> Persons making ex parte presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral ex parte presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the ex parte presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments

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<sup>1</sup> 47 CFR 1.1200.

already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during ex parte meetings are deemed to be written ex parte presentations and must be filed consistent with rule 1.1206(b). In proceedings governed by rule 1.49(f) or for which the Commission has made available a method of electronic filing, written ex parte presentations and memoranda summarizing oral ex parte presentations, and all attachments thereto, must be filed through the electronic comment filing system available for that proceeding, and must be filed in their native format (e.g., .doc, .xml, .ppt, searchable.pdf). Participants in this proceeding should familiarize themselves with the Commission's ex parte rules.

#### **D. Comment Filing Procedures**

20. Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 CFR 1.415, 1.419, interested parties may file comments and reply comments on or before the dates indicated on the first page of this document. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS). See Electronic Filing of Documents in Rulemaking Proceedings, 63 FR 24121 (1998).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: <http://fjallfoss.fcc.gov/ecfs2/>.
- Paper Filers: Parties who choose to file by paper must file an original and one copy of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12<sup>th</sup> St., SW, Room TW-A325, Washington, DC 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.
- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.
- U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12<sup>th</sup> Street, SW, Washington DC 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to [fcc504@fcc.gov](mailto:fcc504@fcc.gov) or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

21. Additional Information: For additional information on this NPRM, please contact Kim Matthews of the Media Bureau, Policy Division, [Kim.Matthews@fcc.gov](mailto:Kim.Matthews@fcc.gov), (202) 418-2154.

### **III. ORDERING CLAUSES**

22. **IT IS ORDERED** that, pursuant to the authority contained in Sections 1, 4, 301, 303, 307, 308, 309, 310, 316, 319, 338, 403, 614, and 615 of the Communications Act of 1934, as amended, 47

U.S.C. 151, 154, 301, 303, 307, 308, 309, 310, 316, 319, 338, 403, 614 and 615, this Notice of Proposed Rulemaking **IS ADOPTED**.

23. **IT IS FURTHER ORDERED** that the Commission's Consumer and Governmental Affairs Bureau, Reference Information Center, **SHALL SEND** a copy of this NPRM, including the Initial Regulatory Flexibility Analysis, to the Chief Counsel for Advocacy of the Small Business Administration.

List of Subjects in 47 CFR Part 73

Broadcast radio.

FEDERAL COMMUNICATIONS COMMISSION

Gloria J. Miles,

Federal Register Liaison Officer,

## Proposed Rules

For the reasons discussed in the preamble, the Federal Communications Commission proposes to amend 47 CFR part 73 as follows:

### PART 73 – RADIO BROADCAST SERVICES

1. The authority citation for part 73 continues to read as follows:

Authority: 47 U.S.C. 154, 303, 334, 336 and 339.

2. Add §73.3800 to read as follows:

#### **§ 73.3800 Full power television channel sharing outside the auction context.**

(a) Channel sharing generally. (1) Subject to the provisions of this section, full power television stations may voluntarily seek Commission approval to share a single six megahertz channel with other full power television and Class A television stations.

(2) Each station sharing a single channel pursuant to this section shall continue to be licensed and operated separately, have its own call sign, and be separately subject to all applicable Commission obligations, rules, and policies.

(b) Licensing of channel sharing stations. A full power television channel sharing station relinquishing its

channel must file an application for the initial channel sharing construction permit (FCC Form 2100), include a copy of the channel sharing agreement as an exhibit, and cross reference the other sharing station(s). Any engineering changes necessitated by the channel sharing agreement may be included in the station's application. Upon initiation of shared operations, the station relinquishing its channel must notify the Commission that it has terminated operation pursuant to § 73.1750 and each sharing station must file an application for license (FCC Form 2100).

(c) Deadline for implementing channel sharing agreements. Channel sharing agreements submitted pursuant to this section must be implemented within three years of the grant of the initial channel sharing construction permit.

(d) Channel sharing agreements (CSAs). (1) Channel sharing agreements submitted under this section must contain provisions outlining each licensee's rights and responsibilities regarding:

(i) Access to facilities, including whether each licensee will have unrestrained access to the shared transmission facilities;

(ii) Operation, maintenance, repair, and modification of facilities, including a list of all relevant equipment, a description of each party's financial obligations, and any relevant notice provisions; and

(iii) Transfer/assignment of a shared license, including the ability of a new licensee to assume the existing CSA; and

(iv) Termination of the license of a party to the CSA, including reversion of spectrum usage rights to the remaining parties to the CSA.

(2) Channel sharing agreements submitted under this section must include a provision affirming compliance with the channel sharing requirements in this section including a provision requiring that each channel sharing licensee shall retain spectrum usage rights adequate to ensure a sufficient amount of the shared channel capacity to allow it to provide at least one Standard Definition (SD) program stream at all times.

(e) Termination and assignment/transfer of shared channel. Upon termination of the license of a party to a CSA, the spectrum usage rights covered by that license may revert to the remaining parties to the CSA. Such reversion shall be governed by the terms of the CSA in accordance with paragraph (d)(1)(iv) of this section. If upon termination of the license of a party to a CSA only one party to the CSA remains, the remaining licensee may file an application to change its license to non-shared status using FCC Form 2100, Schedule B (for a full power licensee) or F (for a Class A licensee).

(f) Notice to MVPDs. (1) Stations participating in channel sharing agreements must provide notice to MVPDs that:

(i) No longer will be required to carry the station because of the relocation of the station;

(ii) Currently carry and will continue to be obligated to carry a station that will change channels; or

(iii) Will become obligated to carry the station due to a channel sharing relocation.

(2) The notice required by this section must contain the following information:

(i) Date and time of any channel changes;

(ii) The channel occupied by the station before and after implementation of the CSA;

(iii) Modification, if any, to antenna position, location, or power levels;

(iv) Stream identification information; and

(v) Engineering staff contact information.

(3) Sharee stations (those relinquishing a channel in order to share) must provide notice as required by this section at least 30 days prior to terminating operations on the sharee's channel. Sharer stations (those hosting a sharee as part of a channel sharing agreement) and sharee stations must provide notice as required by this section at least 30 days prior to initiation of operations on the sharer channel. Should the anticipated date to either cease operations or commence channel sharing operations change, the stations must send a further notice to affected MVPDs informing them of the new anticipated date(s).

(4) Notifications provided to cable systems pursuant to this section must be either mailed to the system's official address of record provided in the cable system's most recent filing in the FCC's Cable Operations and Licensing System (COALS) Form 322, or emailed to the system if the system has provided an email address. For all other MVPDs, the letter must be addressed to the official corporate address registered with their State of incorporation.

3. Add §73.6028 to read as follows:

**§ 73.6028 Class A Television channel sharing outside the auction context**

(a) Channel sharing generally. (1) Subject to the provisions of this section, Class A television stations may voluntarily seek Commission approval to share a single six megahertz channel with other Class A and full power television stations.

(2) Each station sharing a single channel pursuant to this section shall continue to be licensed and operated separately, have its own call sign, and be separately subject to all of the Commission's obligations, rules, and policies.

(b) Licensing of channel sharing stations. A full power television channel sharing station relinquishing its channel must file an application for the initial channel sharing construction permit (FCC Form 2100), include a copy of the channel sharing agreement as an exhibit, and cross reference the other sharing station(s). Any engineering changes necessitated by the channel sharing agreement may be included in the station's application. Upon initiation of shared operations, the station relinquishing its channel must notify the Commission that it has terminated operation pursuant to § 73.1750 and each sharing station must file an application for license (FCC Form 2100).

(c) Deadline for implementing channel sharing agreements. Channel sharing agreements submitted pursuant to this section must be implemented within three years of the grant of the initial channel sharing construction permit.

(d) Channel sharing agreements (CSAs). (1) Channel sharing agreements submitted under this section must contain provisions outlining each licensee's rights and responsibilities regarding:

(i) Access to facilities, including whether each licensee will have unrestrained access to the shared transmission facilities;

(ii) Operation, maintenance, repair, and modification of facilities, including a list of all relevant equipment, a description of each party's financial obligations, and any relevant notice provisions; and

(iii) Termination or transfer/assignment of rights to the shared licenses, including the ability of a new licensee to assume the existing CSA.

(2) Channel sharing agreements submitted under this section must include a provision affirming compliance with the channel sharing requirements in this section including a provision requiring that each channel sharing licensee shall retain spectrum usage rights adequate to ensure a sufficient amount of the shared channel capacity to allow it to provide at least one Standard Definition (SD) program stream at all times.

(e) Termination and assignment/transfer of shared channel. Upon termination of the license of a party to a CSA, the spectrum usage rights covered by that license may revert to the remaining parties to the CSA. Such reversion shall be governed by the terms of the CSA in accordance with paragraph (d)(1)(iv) of this section. If upon termination of the license of a party to a CSA only one party to the CSA remains, the remaining licensee may file an application to change its license to non-shared status using FCC Form 2100, Schedule B (for a full power licensee) or F (for a Class A licensee).

(f) Notice to MVPDs. (1) Stations participating in channel sharing agreements must provide notice to MVPDs that:

(i) No longer will be required to carry the station because of the relocation of the station;

(ii) Currently carry and will continue to be obligated to carry a station that will change channels; or

(iii) Will become obligated to carry the station due to a channel sharing relocation.

(2) The notice required by this section must contain the following information:

(i) Date and time of any channel changes;

(ii) The channel occupied by the station before and after implementation of the CSA;

(iii) Modification, if any, to antenna position, location, or power levels;

(iv) Stream identification information; and

(v) Engineering staff contact information.

(3) Sharee stations (those relinquishing a channel in order to share) must provide notice as required by this section at least 30 days prior to terminating operations on the sharee's channel. Sharer stations (those hosting a sharee as part of a channel sharing agreement) and sharee stations must provide notice as required by this section at least 30 days prior to initiation of operations on the sharer channel. Should the anticipated date to either cease operations or commence channel sharing operations change, the station(s) must send a further notice to affected MVPDs informing them of the new anticipated date(s).

(4) Notifications provided to cable systems pursuant to this section must be either mailed to the system's official address of record provided in the cable system's most recent filing in the FCC's Cable Operations and Licensing System (COALS) Form 322, or emailed to the system if the system has provided an email address. For all other MVPDs, the letter must be addressed to the official corporate address registered with their State of incorporation.

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